FBIS DAILY REPORT

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## ECONOMY MINISTER SIGAUT REVEALS NEW MEASURES

PY182054 Buenos Aires HERALD in English 18 Jun 81 p 11

[Text] Santa Fe (NA)--Economy, Treasury and Finance Minister Lorenzo Sigaut yesterday announced a new "economy package" made up of six measures including, among others, a tax moratorium on debts existing as of last 31 March and the extension of a discount line for "50 percent of the debts" of firms which are in a position to qualify for it.

Turning to another topic, Sigaut said that Finance Undersecretary Hugo Lamonica's trip to the United States was not aimed "at refinancing any foreign debt" and went on to say that Lamonica's mission was "to increase and accelerate the provision of funds" from abroad for public and private investment projects.

The other new economy measures which the minister announced yesterday included: the creation of a national exchange market; the creation of a tax code on a municipal and provincial level; the modification of sanctions for non-payment of fiscal debts and the creatior of a program of optional additional financing for the promotion of exportation.

Sigaut said of this last measure aimed at increasing exports that "it is for several industrial sectors like textiles and metals" which are currently faced with shrinking demand abroad.

In speaking further of Undersecretary Lamonica's trip to the United States, Sigaut said that areas of investment being concentrated on by the undersecretary in his talks with foreign moneymen included education, public works and services, industry and mining as well as agriculture and livestock.

As Sigaut was giving his view of the state of the Argentine economy to the governors in Santa Fe, other personalities were giving theirs elsewhere.

Former Trade Secretary Alejandro Estrada opined in Buenos Aires that "this (the military) government will be a failure if it doesn't demonstrate to the citizens its ability to overcome inflation." He went on to say that "an inflationary economy at these levels causes social tensions of all sorts." Estrada added that to his way of thinking "inflation is a key issue." He indicated that he felt the current economic team headed by Sigaut was at least taking a different view of inflation than the former team headed by Dr Jose Alfredo Martinez de Hoz had.

Also here in the capital city, the integration and Development Movement (MID) put out a statement in which its leaders said that the success of the current military government depended on it making a total change of direction in its economic policy.

## FLIGHT OF U.S. DOLLARS REPORTEDLY CONTINUES

PY182300 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2105 GMT 18 Jun 81

[Text] Buenos Aires, 19 Jun (NA)--Reliable sources have indicated that the strong demand for U.S. dollars drained $120 million from the reserves of the Central Bank today.

The investors' race after the U.S. dollar has also caused an upsurge of interest rates, while stock market activities declined significantly and foreign bonds increased by 5 percent.

RADICALS CRITICIZE GALTIERI, ECONOMIC PLAN

PY181855 Buenos Aires HERALD in English 18 Jun 81 p 11

[Text] (NA)--Radical leader Ricardo Balbin yesterday said that the next president of Argentina would not be a military man, as suggested by President Roberto Viola recently, and stressed that he would "do as much campaigning as necessary" to get civilians to oppose such a move.

At the same time, the Radical Party (UCR) last night demanded the normalization of national institutions the application of emergency measures in the areas of economy and education, and the removal of all restrictions on the exercise of human, social and political rights which are contained in the national constitution.

Balbin also accused the army commander-in-chief, Lieutenant General Leopoldo Galtieri, of trying to underestimate political parties, adding that Galtieri had said, in view of the sanctioning of the political parties statute, that "the process will go on until 1987 and then continue from there." Balbin's statements were published in the latest edition of the REDACCION magazine, after he was interviewed at home while recovering from illness.

Balbin said that Galtieri, instead of saying with courage publicly that there will be no more elections, prefers to say that the urns are well guarded. Balbin indicated, however, that "the people are not stupid" and realize that "there will be no elections while he, Galtieri, is around."

In the statement they released last night, the Radical Party questioned official assertions on the objectives reached in the economic field, and asked where "all that spurious publicity, that hid a different and opposite reality", had gone.

It added that the people are excluded from decisions and the government is inmobile, because of its contradictions and this "sums up the picture of the country at the moment."

NATION SEEN AS 'RIPE FOR SELF-DESTRUCTIVE FRENZY'

PY182138 Buenos Aires HERALD in English 18 Jun 81 p 10

[From the "As I See It..." feature by James Neilson: "The Dam Is Breaking"]

[Excerpts] The suspicion is growing that, sooner rather than later, the fragile order of the last few years will be swept away by a torrent of passions which have been contained up to now but are beginning to mount at a dangerous rate. The air is heavy with foreboding.

Argentina could well be ripe for another period of self-destructive frenzy. Certainly the ominous sounds that can be heard seem to presage an upheaval of some kind. Argentines are awaiting it in a mood of fearful expectancy. They want change and they know in their bones that change is approaching, but they are nervous about the prospect because they are utterly unsure of what it could entail for them.

The real Argentine political system, as opposed to the compilations of jurists or the musings of military philosphers, serves as a barrier against change and not as a highway along which a society can progress in a more or less orderaly fashion. It blocks developments instead of exploiting them. In consequence, the country moves in a succession of fits and starts. Frustrations gradually build up behind high walls until, quite suddenly, they come bursting through; to the hurt surprise of the government of the day which wakes up one morning to find that the landscape has completely changed and it belongs to the nation's past.

The present situation clearly cannot last much longer. The "process" is falling apart. The authorities are stuffing statements into the cracks in the dam while, at the same time, contemplating the possibility of knocking a few small holes in it so some of the surging floodwaters can escape without causing much damage.

But their efforts are likely to prove inadequate. In any case, they are probably too late. Exactly what will happen when the structure can hold no longer is anybody's guess. Argentina possesses neither the strong and tested institutions nor the ingrained political habits a society needs to negotiate the difficult stretch from one sort of government to another without turmoil. Decades of irresponsible populism interspersed with sterile periods of military rule have destroyed the country's political culture and left in its place a rubble of feudal relationships, fantastic aspirations, burning resentments, and a debilitating consciousness of the futility of most political endeavours.

Modern societies have to be democratic because only democracies can harness the change that is part of our world. When a government or an order becomes intolerable to enough people it is replaced by something more appealing. But Argentines have no easy way of dismissing a regime they feel has failed them. The military, moreover, went to great lengths to build their dam on more solid foundation than in the past by institutionalizing armed forces rule. This was a grave error. When the pent-up waters finally break through, the flood that results will be far more violent than it would have been had the dam been lower and weaker because the pressure will be so much greater.

The regime's leaders, however, did not seem to realize this. Although the thought may have struck them by now, true to their obsession with image and their contempt for substance they believed that the illusion of change would be as effective as change itself, so they decided to give their construction a fresh coat of paint at regular intervals. The paint, however, fools nobody. Beneath it the loose bricks and the spreading fissures are visible.

The regime can hardly be said to rule the country any more: It has a past and government requires a future. It merely issues vain edicts and makes absurdly optimistic prophesies. This has had a calamitous effect on the economy. As soon as the "process" started to crumble it slipped its moorings and began a helter-skelter rush to perdition. The working class, sorely tried by the "process" from the very start, is being crushed: Unemployment is rising as factory after factory goes under or tosses employees overboard in an effort to stay afloat. Middle class incomes are shrinking, as a glance at the once full but now almost empty restaurants reveals. Inflation, which even at the best of times during the process never dropped much below a 100 percent a year, is picking up speed again and, what is worse, the regime has plainly lost the will to try to hold it back. To prevent a collision with reality right now, it is merely ensuring that the collision, when it comes, will be truly spectacular.

The Videla-Viola regime is an alliance between the military on the one hand and big business, large landowners, and foreign-educated technocrats on the other. Not all the groups involved did very well out of this, but they will be certain to be associated with it anyway. The alliance has failed to achieve its objective of modernizing Argentina and, in politics, failure, no matter how good the excuses, is rarely forgiven. It is reasonable to suppose that many officers not irrevocably committed to the "process" feel humiliated by the inability of the armed forces to do notably better than the Peronists. Some, no doubt, will feel tempted to try and withdraw their institution from politics entirely. But most, one imagines, will regard such a course as impossible in the absence of any plausible civilian alternative to military rule. These people are surely pondering the pros and cons of a different alliance, this time not with financiers and the graduates of U.S. universities but with the labour unions and populist politicians who can provide what so many officers crave, mass support. If enough of them conclude that this is the only way to build an effective military barrier against unpredictable change, they can be expected to throw their erstwhile allies, and the senior officers most closely connected with them, to the wolves--perhaps accusing them of betraying the "process"--and to present Argentina with a new regime that would, however, be just as undemocratic and just as unlikely to reach its goals as the one it would replace.

SMATA PROTESTS LEADERS' ARREST, THREATENS STRIKE

PY190236 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2215 GMT 18 Jun 81

[Excerpts] Buenos Aires, 18 Jun (NA)--The mechanics union has reacted to the imprisonment of five of its leaders, from the total of 200 persons arrested during yesterday's strike, by stating that if by tomorrow at 1100 "even one of our compatriots is still in prison, whether he be a leader or a member" it will start a new strike "until we attain the complete freedom of our members."

In a communique issued last night, all the chapters of the Union of Mechanics and Related Automotive Transport Workers (SMATA) throughout the country stated that "they deeply regret the repressive attitude of the security forces which carried out a massive arrest without any justified reason of more than 1,500 workers who were at our premises on 665 Belgrano Street in this capital."

The communique then states: "But the hardest blow has been the imprisonment of our union leader compatriots, who as representatives of the union visited the Labor Ministry on 16 June in response to an invitation from the government."

IRAQI MISSION ARRIVES TO PURCHASE MEAT, GRAIN

PY152201 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1745 GMT 15 Jun 81

[Text] Buenos Aires, 15 Jun (NA)--An Iraqi official mission today arrived in Argentina in order to increase bilateral commercial and technological relations and especially to purchase grains and meat.

The delegation, headed by Iraqi Agriculture Under Secretary (Khalaf Jahlaf al-'Azawi), will meet with officials of the Agriculture and Livestock Ministry during its stay in Buenos Aires.

The Iraqi under secretary stated at the Ezeiza International Airport that the mission will try to "strengthen the friendship between the two countries" and "increase our commercial relations."

"We are interested in all kinds of agricultural and industrial projects and everything related to the purchase of Argentine grains and meat," (al-'Azawi) said, after being welcomed by officials of the Iraqi Embassy in Argentina, and the manager of the Argentine Grain Board, Horacio Madou.

Asked about the quantity of Argentine grain and meat which they were planning to purchase, the Iraqi official said that "before we start talking about quantities and tons, we must talk about prices and terms of sale."

He went on to say that Argentina "is a country with highly developed agricultural and livestock technology," and explained that the delegation which he heads will also analyze the "degree of technological complementation" between the two countries with the appropriate local officials. "We will establish the most effective and suitable channel through which we could receive Argentine technology," he said.

The delegation had been scheduled to arrive last week. (Al-'Azawi) was asked whether his delay was due to the war with Iran and the bombing of the nuclear plant near Baghdad.

"I can reassure all our friends that neither the war with Iran or the bombing of the nuclear plant have affected the development and recovery of Iraq and its plans for progress," he emphasized.

(Al-'Azawi) finally said that his country "is always moving forward toward the fulfillment of its projects, and small problems like those which happened recently can in no way hamper Iraq's takeoff."

## FAB MEETING DISCUSSES GARCIA MEZA RESIGNATION

PY171246 Buenos Aires LATIN in Spanish 2254 GMT 16 Jun 81

[Excerpts] La Paz, 16 Jun (LATIN-REUTER)--The Bolivian Air Force (FAB) meeting of commanders of units and military institutions began here today, presumably to discuss the position it will adopt regarding President Gen Luis Garcia Meza's announcement that he will hand over the Presidency on 6 August.

Although the meeting was not officially announced, FAB sources disclosed it was being held.

The FAB meeting is held almost simultaneously with the announcement made by Army Commander Gen Humberto Cayoja that the commanders of the three services could meet this week to discuss the presidential succession.

According to the Santa Cruz daily EL MUNDO, Cayoja indicated that a document in this regard could be released on Thursday afternoon.

In a speech made shortly before the FAB meeting started, its commander, General Bernal, advocated the need to practice the institutional rule as a government system in a country where the political parties have failed repeatedly.

He asserted that it is also necessary to show evidence that an invariable resolution regarding the reestablishment of the political and civilian rights has been adopted.

Bernal reiterated that the armed forces participate in the current process as an integral and coherent organization which strongly opposes sectarianism and mere personal ambitions. The armed forces participate with the absolute certainty that they are contributing to the development of the historic process.

The FAB meeting also takes place at the time when various sectors and persons voice their support for Garcia Meza.

These organizations, especially the peasants who have threatened to blockade the roads and cut the supply of foodstuff to the cities, have demanded that Garcia Meza withdraw his resignation from the Presidency on 6 August.

Garcia Meza recently announced that the first phase which started on 17 July 1980 should end. He also asked for time for the armed forces to decide the political future of the country after consulting the Bolivian citizens.

Sources of the FAB did not state what day the meeting of commanders would end although it is believed that it will not last longer than Thursday.

## BRIEFS

NEW OIL FIELD--Bolivian Government Oil Deposits, YPFB, has announced that it has discovered a new oil field in El Espino, Gran Chaco area. The oil well is 4,890 meters deep and began operating last Saturday with an initial daily production of 450 barrels of oil and 7 million cubic feet of natural gas. [La Paz Radio Illimani Network in Spanish 1130 GMT 9 Jun 81 PY]

AGREEMENT WITH ISRAEL--Bolivia and Israel have signed an agreement for a loan of 16 million Bolivian pesos to underwrite training programs for peasants in rural areas. On the Bolivian side, the agreement was signed by the education minister, Col Guillermo Escobar; the finance minister, Jorge Tamayo Ramos; the general comptroller of the Republic, Gen Remberto Iriarte Paz. Gen Pinjas Shajas, signed for Israel. [La Paz EL DIARIO in Spanish 9 Jun 81 p 3 PY]

PAPER PUBLISHES VERSION OF URANIUM DEAL WITH IRAQ

PY181601 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jun 81 p 7

[By Paulo Andreoli]

[Text] January 1981, early one morning, 8 tons of uranium with nuclear purity [nuclearmente puro] that had been processed in Sao Paulo by the Energy Research Institute [IPEN] of Sao Paulo University [USP] in the form of plaques, were sent from Sao Jose dos Campos by the Brazilian Government to Iraq in an operation that should have been secret and which involved, for just over 4 hours (a record time), a few officials of the Aeronautics Technological Center.

On 14 January a Boeing 727 cargo plane flying the Iraqi flag departed the country. On the following day another cargo plane, a Soviet-manufactured IL-76, also crewed by officers of the Iraqi Air Force, repeated the operation. Both planes were presumably loaded with ballistic missiles manufactured in Brazil by Avibras Aerospacial. But the cargo also consisted of natural uranium, in plaques and with a nuclear purity produced by the IPEN, stressed sources linked to the IPEN. These sources included a director and technicians that participated in the production.

The IPEN of the USP was working to produce plaques for Iraq. At the beginning of the year the IPEN worked practically 24 hours a day to produce the order placed by the National Nuclear Energy Commission [CNEN], estimated at 80 tons in the form of plaques. The operation was coordinated by the CNEN executive director, Rex Nazareth Alves, who, after making his first contacts with the IPEN, also assumed the duties of adviser to the National Security Council.

An IPEN source revealed yesterday that the first 8 tons that IPEN handed over to the CNEN "were not registered as handed over and they were not registered in any official document." However, the destination of the plaques is generally known to IPEN directors and technicians.

Sources linked to this affair asserted yesterday that the CNEN has approximately 100 tons of natural uranium currently in its hands without the safeguards demanded by the International Atomic Energy Agency [IAEA]. And according to the same sources, this uranium is being produced for and exported to Iraq. Brazil began to stockpile the uranium 20 years ago when it began to export monazite gravel and sand (niobium, molybdenum and rare earths). The uranium equivalent contained in these products was restored to Brazil by the importers, who purchased uranium on the international market and handed it over to Brazil.

Once the deal with Iraq was struck, the CNEN gave IPEN the first loads of uranium in the form of yellow cake [last two words in English], and ammonia bars [diuranato de amonia], so that it could be processed in the Sao Paulo institute's pilot purification plant. The technicians were divided into shifts so that they could work nearly around the clock. At the pilot plant the uranium is being converted into uranium oxide which is 99.5 percent pure. This nearly pure uranium (U-308) is being turned into plaques in IPEN's vacuum ovens, according to what the institute's sources have revealed.

The quality of the Brazilian uranium that is being produced in Sao Paulo was analyzed just before it was sent by a high-level Iraqi mission that visited IPEN at the beginning of January. According to revelations made yesterday by sources at the Sao Jose dos Campos Aeronautics Technological Center, the next shipment of uranium for Iraq was scheduled for next month, but it has been cancelled "without any detailed explanation." A high-ranking source at the institute commented yesterday that during the Arab mission's visit the board of directors of IPEN received instructions from the CNEN that "no one was to even ask the names or the functions of the visitors."

The IPEN of the USP has already purified approximately 20 tons of uranium (the pilot plant has a production capacity of approximately 25 tons per year).

This uranium is being turned into plaques in the vacuum oven. The plaques that are being processed by IPEN weigh approximately 250 grams each and they are approximately 2 inches wide, 2 milimeters thick and approximately 1 meter long.

When the production of uranium for Iraq became the focal point of the conversations of the institute's lower echelon officials during their informal lunch-hour meetings, an IPEN director expressed his concern to other directors: "There is going to be a leak here. There are a lot of Jews working at the pilot plant and sooner or later thay are going to comment on their work to their rabbis." The warning was taken as a simple wisecrack. And all of them laughed.

The authorities that are responsible for controlling air traffic in Brazil have officially confirmed that two Iraqi planes landed at Sao Jose dos Campos on 14 and 15 January. They also officially revealed that the second aircraft, the Ilyushin turboprop, could have been intercepted by F-5 jets near the African coast. According to sources close to the Brazilian company Avibras Aeroespacial, this plane "arrived at its destination without the cargo loaded in Brazil." Other sources have remarked that the Boeing 727 could have made a stopover in West Germany before going on to Iraq. The Soviet-made turboprop of the Iraqi Air Force reportedly made a forced landing in an African country and left the cargo there. It is also reported that after leaving Sao Jose dos Campos the two planes had refueled some place in northeast Brazil.

Brazil cannot be accused of direct involvement in Iraq's intention to build nuclear military devices (as Israel has charged). However, there is no denying--and this was admitted by a PhD in nuclear physics questioned by O ESTADO yesterday--taht the uranium plaques processed by IPEN (and covered by aluminum sheaths to reduce excessive radiaiton) could be irradiated by the Osirik reactor which Iraq has been building, "obtaining plutonium after 2 or 3 months." He estimated that the 8 tons of uranium shipped by Brazil could yield (through a "reasonable" utilization of 0.2 percent of the uranium 238) approximately 16 kg of plutonium--"more than enough for a military device."

According to the nuclear expert, the reprocessing process of Brazilian uranium in plaques "is simple." As an example he mentioned the "backyard experiment"conducted by the Oak Ridge National Laboratory in 1974 with positive results. The members of the research group published 100 copies of their results. All these copies were later confiscated by the U.S. Secret Service.

It is also possible (although not very probable) to replace the plaques of uranium enriched to 93 percent (supplied by France to Iraq) with the plaques of Brazilian natural uranium, at the Osirik reactor. This could deceive the IAEA, whose official records register that Iraq only has the enriched uranium supplied by France. This "maneuver" could be done in Iraq, but Brazilian physicists believe that "it would be a risky operation and that it would be difficult to carry it out without IAEA finding out about it."

## FOREIGN MINISTRY SCORES REPORT ON NUCLEAR PROGRAM

FY182135 Paris AFP in Spanish 2030 GMT 18 Jun 81

[Text] Brasilia, 18 Jun (AFP)--The Brazilian Foreign Ministry today categorically refuted the news report according to which Brazil is developing a clandestine nuclear program aimed manufacturing military nuclear devices, and called it false and ridiculous.

The report in question has been published by the influential newspaper O ESTADO DE SAO PAULO and according to Itamaraty spokesman Bernardo Pericas, this report is an attempt to divert attention from the focal point, which is Israel's aggression against Iraq, an aggression which has been condemned by the entire international community.

In his statement, the diplomatic spokesman recalled that upon arriving from Dakar yesterday, Foreign Minister Saraiva Guerreiro stated that Brazil has never exported uranium to any country at all, simply because it has no reserves, but as soon as it has some it will sell it.

Pericas also pointed out that the Brazilian-Iraqi nuclear accord signed in January 1980 provides for the peaceful utilization of nuclear energy in keeping with the principle of nonproliferation of nuclear weapons. This accord also includes the supply of natural and slightly enriched uranium to Iraqi reactors.

The Iraqi diplomatic mission in Brasilia has released a communique condemning recent remarks of Israeli Ambassador to Brazil Shaul Ramati, who has accused Brazil of supplying nuclear material to Iraq.

## AUSTRALIAN DEPUTY PRIME MINISTER PAYS OFFICIAL VISIT

PY160233 Brasilia Domestic Service in Portuguese 2200 GMT 15 Jun 81

[Excerpt] Acting Foreign Minister Dom Clemente Baena Soares today met with visiting Australian Deputy Prime Minister John Douglas Anthony who is paying an official visit to Brazil.

Baena Soares held a luncheon in honor of the visiting minister at Itamaraty. During this luncheon Baena Soares outlined Australian and Brazilian attitudes toward the North-South dialogue and stressed the common interests of the two countries in the field of international trade as well as the positions which the two countries had shared at various international meetings.

### Seeks Cooperation

PY170345 Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Jun 81 p 19

[Text] The Austraian deputy prime minister and foreign trade minister, John Douglas Anthony, suggested yesterday to Itamaraty that his country and Brazil should try to arrive at an understanding to find a solution to the problem posed by the current slump in the international market for iron ore.

The deputy prime minister summarized the objectives of his visit to Brazil in five items:
1. To reinvigorate the spirit of cooperation which already exists.
2. To discuss possibilities to expand trade and other contacts between the two countries.
3. To try to convey Australia's concern and assess Brazil's attitude about damages being caused by commercial practices of the EEC.
4. To look into the possibilities of a joint Brazilian-Australian response to such EEC practices.
5. To consult with the Brazilian Government on questions regarding production and marketing in the agricultural and mineral sectors.

## BRIEFS

TRADE BALANCE FIGURES--According to information released by Carlos Viacaba, Finance Ministry secretary general, Brazilian trade yielded a $21 million surplus in May. During this month exports amounted to $1.862 billion while imports amounted to $1.847 billion. This is the first month of the year that the trade balance has shown a surplus. [Brasilia Domestic Service in Portuguese 2200 GMT 15 Jun 81 PY]

RECORD SOYBEAN CROP--The Brazilian Agriculture Ministry has reported that Brazil has obtained a record soybean crop this year. The harvest has yielded 15.5 million tons, 300,000 tons more than last year. [Brasilia Domestic Service in Portuguese 2200 GMT 16 Jun 81 PY]

## CHILEAN FOREIGN MINISTER PAYS 3-DAY OFFICIAL VISIT

PY160212 Santiago Chile Diplomatic Information Service in Spanish 2309 GMT 15 Jun 81

[Text] Chilean Foreign Minister Rene Rojas Galdames today arrived in Bogota for a 3-day official visit which will close his foreign tour launched on 5 June.

During his stay in the Colombian capital, Rojas Galdames will meet with his Colombian counterpart Carlos Lemos and also with President Julio Cesar Turbay Ayala, who will give him a note for President Pinochet.

The increase of trade, which has doubled over the preceeding 3 years, will be one of the most significant issues discussed during the visit because several accords will be signed.

According to the agenda, Foreign Minister Rojas will decorate Minister Lemos with the Chilean Order of Merit in the degree of Grand Cross and will receive in turn the Order of Boyaca in the degree of Grand Cross.

On Tuesday the Colombian foreign minister will hold a reception in honour of his Chilean counterpart. The agenda also includes handing over the keys to the city of Bogota to the Chilean foreign minister, who will be declared an illustrious guest. A joint declaration will be signed at the end of the visit.

### Lemos Meets Chilean Press

PY181315 Santiago Chile Domestic Service in Spanish 1100 GMT 18 Jun 81

[Text] The Colombian foreign minister considers that Chile's return to the Andean Pact would be opportune and positive.

Carlos Lemos Simmonds said that he is sure that the future relations between the two countries will be auspicious.

The Colombian foreign minister chatted with Chilean journalists who are a part of Chilean Foreign Minister Rene Rojas Galdames' entourage. Galdames is on an official visit in Bogota.

Lemos recalled how Colombia made use of the Chilean Armed Forces in order to organize its own armed forces and he said that in the trade sector we hope to increase our trade.

The Colombian diplomat clarified that his country has no ideological controversy with any nation and he recalled that Colombia was recently the victim of an intolerable Cuban policy. The government of Fidel Castro instigated a brazen and cynical subversion and proposed that Colombia be invaded, Lemos said, in order to explain the suspension of relations with Cuba.

He added that Colombia has no problems with Nicaragua regarding sovereignty and even less so regarding the San Andres and Providencia Islands. Nicaragua's claim is not an issue for study or debate nor can it ever be one, and if this occurred it would be absurd, he said. He then maintained that Colombia is respecting a treaty that was signed by Nicaragua regarding the sovereignty of those islands. The treaty cannot be revised or denounced because there is no question about the historical rights, Lemos concluded, but not before he reaffirmed that Chile's return to the Andean Pact is opportune and positive.

## Ministers Sign Declaration

PY181251 Santiago Chile Domestic Service in Spanish 1100 GMT 18 Jun 81

[Text] The foreign ministers of Chile and Colombia have signed a joint declaration.

They reiterated the determination of their countries to abstain from resorting to threats or the use of force in their international relations.

Rene Rojas Galdames and Carlos Lemos Simmonds also expressed their determination that solutions to controversies must be obtained through peaceful methods.

In the document, signed at the conclusion of Rojas' visit to Colombia, the representatives of the two governments highlighted the principles of legal equality for all nations, the self-determination of nations, territorial integrity, noninterference in the internal affairs of nations and respect for treaties as they are written.

The diplomats also agreed that peace is the supreme objective of relations between nations and the only path for international stability. In this regard they reiterated their desire to strengthen their policies tending toward the preservation of the peace and security of nations.

For the governments of Chile and Colombia the solidarity of the region's countries is the best channel for ensuring a more significant role for Latin America in the world, the two foreign ministers declared.

Rojas and Lemos condemned the ever-increasing wave of violence that is shaking several countries in the world. They expressed their deep concern regarding some countries' use of subversion as a method for interfering in other countries.

They also reiterated the policies of their governments to try and obtain a true and effective Latin American concensus on the basis of an extensive regional cooperation and a decisive participation of the continent's nations in the hemisphere's common interests.

## SECURITY AGENTS ARREST SUSPECT IN BITTERMAN CASE

PA182213 Madrid EFE in Spanish 1452 GMT 18 Jun 81

[Text] Bogota, 18 Jun (EFE)--One of the presumed perpetrators of the kidnapping and subsequent killing in January of U.S. linguist Chester Allen Bitterman was arrested by secret police (F-2) security agents.

The suspect, identified as Oscar Eduardo Fonseca Alba, was arrested Friday night, shortly after a 19 April Movement (M-19) guerrilla group entered the building where the legal courts of Bogota operate, the secret police spokesman reported.

The arrested man said his name was Raul Martinez Sanchez. He had a bullet wound in one leg. After his fingerprints were checked, his real identity was determined.

According to the directives, Fonseca could be involved in the Bitterman case. Bitterman was killed by dissident M-19 commandos when their demands were not met. These included the demand that the U.S. Summer Institute of Linguists leave Colombia. Bitterman was one of the institute's advisers.

Fonseca Alba was handed over to the Military Institutes Brigade for investigation.

## EL SALVADOR

### FDR-FMLN SPOKESMAN ON ELECTIONS, U.S. AID

PA181729 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 18 Jun 81

[Report on interview "granted in Washington" by Ruben Zamora, spokesman of the political-diplomatic committee of the Democratic Revolutionary Front, FDR, and the Farabundo Marti National Liberation Front, FMLN]

[Text] Dr Ruben Zamora said his group does not reject elections but feels there can only be free elections when measures have been taken to settle the nation's political problems. Elections are only part of a general political solution, not a substitute for a political solution. We believe he said, an electoral process [words indistinct] (?if there are) conditions in the country for the people to be able to express their will freely. Such conditions are not suitable at present and as long as there is a state of siege in the country and while basic freedoms are suspended, while martial law is in effect, while there is censorship of information and while there is no possibility for the opposition forces to have access to the media. Under such conditions there can be no free elections. The situation is suitable for the regime to mount another farce, but not for the opposition to express itself, he noted.

Along with all the above, he added, the armed forces have published a list of 138 persons, including all opposition leaders, whom they brand as international terrorists and whom they are persecuting. There can be no opportunity for free elections.

This is evident to the FDR as well as to the National Bar Association, which is a more conservative body and which refused to participate in the drafting of the electoral law, maintaining that there are no conditions for elections. The Salvadoran Democratic Mobilization [Mobilizacion Democratica Salvadorena], a recently founded organization, has stated that there are no conditions for elections. The Catholic Church has expressed a similar view, Zamora noted.

Zamora said elections are not the solution. Asked if the proposal for mediation can be interpreted as a sign of weakness, he replied that in no way can it be [words indistinct]. If we did not have the people's political support and our military forces, such a pronouncement would have no effect. It is because we are strong, because we have a military capability and have the people's political support that we propose a political solution [words indistinct]. He explained that other reasons are that the revolutionary forces are not interested in further bloodshed among the Salvadoran people.

Zamora also referred to the [word indistinct] of the United States to intervene in El Salvador. The United States is doing this, he said, because the Reagan administration has a vision of the problems not only of El Salvador but of all the Third World nations [words indistinct] in terms of a confrontation with the USSR. Washington wants to give the impression that there is war in El Salvador because the USSR through Cuba is encouraging this war. This is false, he noted. [Words indistinct] The United States considers it has the right to intervene and kill our people based on anticommunism. This mistaken attitude will lead them to disaster in their foreign policy, not only in El Salvador but in other parts of the world, Zamora predicted.

Referring to the mini-Marshall Plan, Zamora said the United States has dollars it could send to El Salvador. The problem, however, is that the United States tries to solve the problems of Central America, and specifically of El Salvador, with money, and this is absurd, he added, because the problem is a political one and demands political solutions.

What would happen if the new Marshall plan is carried out? The United States will send dollars which will drop into a sort of bottomless barrel, because there are no conditions, in view of the political situation, for truly sensible economic activity. For instance, the IDB has approved a $192-million credit package for El Salvador, but the Salvadoran Government has not been able to avail itself of this because the internal political situation prevents it.

One loan for $44 million is for an agricultural extension program. The funds are there, but there is no way for the Salvadoran Government to put the program into operation in view of the nation's present conditions.

What really worries us, Zamora said, is that this so-called mini-Marshall plan could be a disguise for a military buildup in El Salvador. Even if the plan did not include military aid and was limited only to economic and social aid, it would in fact increase the army's capabilities because what the government does with the dollars sent by the United States for economic problems is to assign them to military expenditures. This type of aid serves for increased purchase of arms and greater repression in the country, Zamora concluded.

U.S. SPOKESMAN SAYS MILITARY AID INEFFECTIVE

PA190314 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 19 Jun 81

[Text] The spokesman of the Yankee embassy in El Salvador admits that military aid is not effective against the Farabundo Marti National Liberation Front [FMLN]. The information distributed by international news agencies says the following: While the State Department publicly announces its military and economic support for the Salvadoran regime, a document circulating these days in Washington says that the U.S. Embassy in El Salvador is not very satisfied with the results obtained by the United States in this country. A spokesman of this diplomatic mission informed news circles that since the revision of aid to the junta, following the murder of the Maryknoll nuns, very little has been advanced in the military field.

According to the sources, U.S. military advisers in El Salvador are unable to improve the fighting capability of the Salvadoran armed forces.

REPORTAGE ON ARMY, GUERRILLA COMBAT ACTION

Northeastern Front

PA190139 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 18 Jun 81

[Text] Breaking the newsreporting siege, Radio Venceremos reports to our people that our forces are heroically fighting the army of the dictatorship on all four fronts and is inflicting important defeats on it.

We continue reporting on the victorious advance of our people against a history of 50 years of shame, repression and death.

Report on military actions of the Francisco Sanchez northeastern front from 1 to 14 Jun:

Military actions on 3 June: Late in the afternoon at La Guacamaya Canton, jurisdiction of Neanguera, a squad of the Farabundo Marti National Liberation Front [FMLN] harassed an enemy unit in the area. A heavy clash ensued, lasting approximately 1 hour. Our forces accomplished their mission and withdrew having suffered no casualties. The number of casualties inflicted on the enemy is unknown at this time.

7 June: At 1400, an FMLN squad staged a raid on enemy positions near Villa el Rosario which was (?held) by the enemy. Our forces surprised a military patrol with rifle fire at short range. The enemy suffered three casualties and several troops were wounded. Our forces pulled out of the area in orderly fashion and suffered no casualties. The same day, at 1800, FMLN forces raided Guacamaya Canton, jurisdiction of Neanguera, to again harass an enemy unit stationed in that canton, taking the enemy by surprise at short range and inflicting an undetermined number of casualties. We withdrew in orderly fashion after accomplishing our mission, without any casualties.

At 1200, FMLN forces attacked army positions in the town of Torola, inflicting two casualties on the FMLN, including two dead and two wounded. After the attack, which lasted approximately 1 hour, our fighters withdrew without suffering any casualties. The same day a clash took place with enemy forces trying to penetrate our area. Our fighters repelled the enemy, which withdrew after suffering two casualties. Meanwhile, another FMLN squad was carrying out a tactical maneuver on its flanks, inflicting two more casualties on it as it withdrew. There were no casualties among our forces.

(?8) June: At 1600, a special FMLN commando group harassed Jocoaitique's city hall, in which some 15 national guardsmen were ensconced. The harassment operation lasted some 15 minutes and apparently resulted in several national guardsmen wounded, since moaning could be heard inside. Our forces escaped unscathed, and, completely confused, the enemy continued firing long after the attack.

9 June: At 1800, FMLN squads which were assigned to harass the enemy at La Guacamaya Canton, staged a raid in the area. The attack was staged utilizing surprise, at short range. The fighting lasted 1 hour. The enemy suffered an undetermined number of casualties. Our forces withdrew without casualties.

(?12) June: At 1400, a FMLN squad ambushed an enemy patrol in the vicinity of Guacamaya Canton, inflicting at least two casualties on it. Finding itself under fire, the enemy fired in complete confusion at our entrenched forces. The enemy retreated, carrying its wounded. Our forces pulled out without problem.

13 June: At 0930, FMLN squads positioned between Delicias de Concepcion and Cochalpique attacked with rifle fire the rear truck of a convoy guarded by 12 trucks, including (?4 small ones) and some larger ones carrying enemy troops. The enemy suffered several casualties but the exact number has not been confirmed. This ambush forced the enemy troops to travel on foot along the road to Gotera. Our forces withdrew without problems.

This was a war report from the Francisco Sanchez northeastern front.

## Chichontepec Volcano

PA180440 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 18 Jun 81

[Unattributed commentary: "San Vicente: Another Defeat of the Dictatorship"]

[Text] While the Christian Democratic-military junta struggles through the most severe political and economic crises, its armies have suffered another defeat. In its fourth attempt to evict our forces from the Chichontepec Volcano, the army concentrated 2,000 soldiers and in a big display of military might murdered a large number of peasants. The result, however, was a new defeat, just as in Morazan and Guazapa.

In view of its frustration after failing to overcome our fighters, the army was forced to withdraw but not before unleashing its hatred against the defenseless civilian population. It was forced to withdraw, leaving our forces intact after having suffered heavy losses. The guerrillas, Major Guerra declared, were successful in breaking up a strategic siege, something which was considered practically impossible to do.

Our forces, displaying a great ability to bring positions together and to strategically shift their movements, foiled the siege and at the same time inflicted heavy blows on the enemy forces. The enemy, having tasted the bitterness of defeat, was forced to withdraw, as it did in Morazan and Guazapa.

As expected, the enemy has tried to distort the facts, but nobody believes its lies any longer. In Morazan, the enemy said it had exterminated the guerrillas and yet, our forces are there consolidating their positions. In Guazapa, there are no more guerrillas, the enemy claimed, and yet, our forces become stronger and stronger there every day.

The junta has long forgotten what victory is like as every move it makes becomes a victory for the revolutionary forces. San Vicente is a new testimony of our might and clear evidence of the army's inability to defeat us.

FMLN Throughout Country

PA190137 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 18 Jun 81

[Text] We will now read a report on actions by the Farabundo Marti National Liberation Front [FMLN] which have been admitted by the military junta in San Salvador.

In Chalatenango, to all military posts of ("Las Vueltas") [as heard], on 30 May in the afternoon, in Cabanas Department, a clash took place [words indistinct] Jutiapa.

On Tuesday, 2 June in (?Usulutan) Department, we [words indistinct] national guard [word indistinct] traveling through [words indistinct] (?no-man's land) [words indistinct]. As usual, the enemy tried to minimize the number of casualties.

In Morazan Department, the enemy voiced fears about a possible FMLN attack against its garrison in (Casalotoro). To justify the enemy's fears, the genocidal military men invented a new story, according to which our fighters had moved through the Sumpul River into Morazan Department.

In La Paz Department, the enemy has admitted that clashes have taken place on the bridge over the San Antonio River, in the jurisdiction of Santa Cruz (Torrillos). It also admitted that vehicular traffic had been blocked for over 2 hours on the coastal highway.

In order to create a smokescreen over their military defeats in the area, the genocidal troops are trying to blame the FMLN for the attack against several workers of the National Telecommunications Administration, ANTEL. However, we blame this attack on the demoralized enemy troops, who fire at any moving object.

Meanwhile, the dictatorship has admitted that clashes have taken place in La Union Department between FMLN forces and paramilitary patrols [word indistinct].

In Cabanas Department, at Santa Luisa township, jurisdiction of Tenancingo, FMLN and army troops have clashed. The garrison in San Isidro Canton, Chalatenango Department, was attacked and the enemy has admitted that our troops moved about extensively in the area, dressed in olive drab, which is a clear sign that we are in control of substantial areas of that department.

The military junta admits in its reports that the FMLN is exerting constant military pressure on virtually the entire Salvadoran territory. It can no longer hide the fact and is trying to confuse the people, bolstering its own morale by denying the existence of the FMLN's victories and understating its casualties. Newsmen can, however, count them by keeping an account of the desperate helicopter flights to pick up the dead and wounded. The dictatorship also [words indistinct] figures on casualties.

## FMLN War Bulletin No. 126

PA190040 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 18 Jun 81

[War bulletin no. 126 issued by the general command of the Farabundo Marti National Liberation Front, FMLN]

[Text] Report on situation in Guazapa-- [name indistinct] On Tuesday, 2 June in the afternoon, fighters of the FMLN (?stopped) the offensive which the enemy launched in an attempt to advance on the road from Suchitoto to San Martin. The army forces were passing through km 38 and 39 of that road and the convoy was composed of 5 armored vehicles. The ambush, involving antitank mines and rifle fire, resulted in the enemy suffering no less than 40 casualties between dead and wounded.

The purpose of this action was to show the FMLN's offensive capacity in the area and to discredit the misinformation campaign of the 8th group of special forces of Yankee imperialism, which is repeatedly claiming through the media that we have been defeated in Guazapa.

Wednesday, 3 June: Apparently to retaliate for our [word indistinct] attack the day before, the forces of the puppet army tried to penetrate our lines in the area from [words indistinct]. The enemy employed approximately 200 infantry troops [passage indistinct] of artillery and [word indistinct] mortars positions in [name indistinct] Canton, concentrating its fire on the eastern side of the [word indistinct]. Our fighters resisted [words indistinct] (?from) their trenches, firing constantly at the enemy to distract it while we mounted an operation against the invaders. [passage indistinct]. A 1-hour clash ensued.

Unable to break the cordon with military planes, the enemy stepped up its artillery attacks, firing mortars at the northern (?side) of our positions. At the same time, the troops fled back at random, leaving behind a large amount of war material which now belongs to our people. In its desperate flight, the enemy left behind the body of a soldier, which was buried by our forces. [passage indistinct]

Report from Cabanas Department: The enemy has admitted that its infantry troops are incapable of mobilizing in and out of this department, having to resort to the helicopters which imperialism sends to the genocidal junta.

On Tuesday, 2 June, a helicopter was attacked by our forces and suffered substantial damage which the army has had to admit before foreign newsmen.

## Recent Decrease in Violence

PA190334 San Salvador EL MUNDO in Spanish 17 Jun 81 p 6

[Editorial: "Violence Decrease"]

[Excerpts] The written media report daily on national developments, and despite the fact that they continue to report on the war, the reports reveal fewer serious outbreaks of violence each time, particularly in San Miguel and Santa Ana, which were the scene of actions such as the attacks on garrisons by guerrilla forces. Such incidents took place long ago, and since then, the situation has been responding to pacification efforts.

Nobody, however, could say that "the end is approaching" because predictions to that effect have always been debatable.

It can be said, nevertheless, that big steps have been taken lately toward a less convulsive situation, which has made it possible to shorten the curfew at night, allowing students to schedule their studies. Likewise, the transportation service has been extended not only to serve those who attend school or work at night, but also the population in general.

To observers, the permanent critical points were Zacanil, Mejicanos, Soyapango and the university premises. Directing their attention to these points, they recognize that the extremist activities and the confrontations have decreased to much that one could say they are over. The finding of bodies in the northern outskirts of the metropolitan area and other cities has continued to a lesser degree. Even kidnappings and other acts of terrorism have failed to lead to confrontations that previously forced the closing of stores and led to the imposition of a curfew beginning at 1900.

## HONDURAS

### ASSEMBLY APPROVES ELECTORAL LAW AMENDMENTS

PA190400 Tegucigalpa Radio America Network in Spanish 1920 GMT 18 Jun 81

[Distributed by the Inter-Central American Radio Organization]

[Text] The National Constituent Assembly last night approved the amendments to the electoral law requested by the National Elections Tribunal, clearing the way for the successful culmination of the present electoral process.

The amendments approved by the assembly include the modification of certain articles that deal with the procedures to be followed during elections by the National Elections Tribunal as well as by the departmental and local tribunals.

The articles that have been partially or totally amended are Nos 44, 49, 58, 85, 94, 99, 104, 109, 114, 115, 116, 117, 122, 138, 139, 152, 154, 159, 163, 170, 182, 205 and 252. Many of the amendments involve changes in form, but some prescribe new legal and electoral procedures, as is the case of article No 58, which empowers the board of directors of political organizations to arrange, through their legal representatives, to register their candidates for election.

It should be noted that candidates for the posts of president of the republic, presidential designate or deputies of the national congress will be registered with the National Elections Tribunal, while candidates for the posts of mayor, magistrate, or councilman must register with the departmental elections tribunals.

Regarding article No 116 on the dutires and oowers of local elections tribunals, Deputy Nicolas Cruz Torres successfully promoted a motion as follows: 48 hours before the elections the general list of candidates registered in conformity with the law must be posted in a visible place at each voting booth.

The other articles that were approved cover the tasks to be completed by the electoral organizations on the day of elections. They contain provisions designed to guarantee the honesty of the coming elections and all elections in the future.

### FINANCE, ECONOMY SECRETARIES REPORTEDLY CLASHING

PA182254 Tegucigalpa Radio America Network in Spanish 1145 GMT 18 Jun 81

[Text] Our press department has learned of new disputes between Valentin de Jesus Mendoza, finance and public credit secretary, and Economy and Commerce Secretary Ruben T. Mondragon and his top advisers.

The preponderance of the finance secretary has the economy minister close to presenting his resignation.

There is a serious and tense atmosphere in top governmental circles caused by the attempted preponderance of one cabinet member over the other cabinet members.

Moved by an unknown political power which has made him commit the most serious governmental mistakes of the past few months, the finance secretary is again trying to impose his criteria and that of his advisers on others.

The finance authorities are responsible for the current crisis because they were able to impose, against everyone's will, a poorly named anti-inflationary plan, which never got off the ground. They did not consider what consequences violating the bilateral trade treaties with our neighboring countries could bring to our country, or the unnecessary encouragement of an inflationary process which was already oppressive even before the approval of decree No 54.

Now that Brig Gen Policarpo Paz Garcia, president of the military junta, has backtracked and has ordered the revision of the controversial decree, Secretary Mendoza is opposed to it, so much so that at the last cabinet meeting of Monday at the Government and Justice Ministry, a new verbal clash between Secretary Mendoza and Economy Secretary Mondragon occurred.

Mondragon has been fighting with Mendoza ever since the economy minister opposed decree No 14 and, due to legal procedures, was forced to sign this legal document at a cabinet meeting.

Economy Secretary Mondragon was always opposed because he [word indistinct] the reaction of the neighboring countries. But Secretary Mendoza paid no attention to this because it was not he but Economy Secretary Mondragon who had to face the governments of the area.

On Monday, there were again differences between them and the economy secretary was clearly upset as he left the Government and Justice Ministry. It was learned that Secretary Mendoza had proposed to Secretary Mondragon that the export promotion law be (?issued) in exchange for excluding the bilateral trade treaties from the reforms presented to the president.

The attitude adopted by Secretary Mendoza is making Secretary Mondragon lose his patience and he has told his friends that he might resign in the next few days should this situation continue, because he is not a figurehead.

## NICARAGUA

### MINISTER DENIES WITHDRAWAL OF CUBAN TEACHERS

PA181536 Managua Radio Sandino in Spanish 1200 GMT 18 Jun 81

[Text] Misinformation reports which are the result of the imperialist aggression against the Nicaraguan revolution have indicated that hundreds of Cuban teachers have been withdrawn from Nicaragua as a result of friction with our people. In line with the campaign of imperialist aggression and misinformation about our revolutionary process, a State Department spokesman said hundreds of Cuban teachers are being withdrawn from Nicaragua due to frictions with the Nicaraguan people.

The self-seeking version of the Yankee official is of course groundless. It is a rumor, one more fabrication that they launch as part of the reactionary sectors' campaign to discredit our country internationally.

Referring to this rumor, Education Minister Carlos Tunnerman said it was false, malicious and irresponsible. It is more proof of misinformed world opinion.

Relations between our people and teachers and the Cuban teachers have been great. A legacy of these brother internationalist teachers are the 30,000 Nicaraguans they made literate, the minister added.

Tunnerman explained that it is true that 1,200 fo the 2,000 Cuban teachers who came to our country at the request of the Sandinist government to fill part of the deficit of teachers, particularly in the rural areas, have already ended their time here and have to return to their country. The other 800 will stay 1 more year in Nicaragua, but they will go to Cuba for vacations and will return to Nicaragua in September. The education minister announced that a contingent of 1,200 Cuban teachers will come to Nicaragua in February to work for 2 years for the benefit of the Nicaraguan children.

USE OF LIES SEEN COMMON IN U.S. FOREIGN POLICY

PA181601 Managua International Service in Spanish 0030 GMT 18 Jun 81

[Commentary by Arqueles Morales: "A Foreign Policy Based on Fallacies"]

[Text] Despite all the juggling, ambiguous explanations and denials, the Reagan administration has been unable to erase from world opinion its image as a liar after the press in that country revealed the extent that Washington shamelessly lies to cover up its aggressive plans.

Reading the full text of the article in the Washington POST of 9 June, one can see that the infamous White Paper with which a fierce campaign against Nicaragua was launched and which served as justification for the cutting off of credits to our country is simply a big prefabricated lie of imperialism. Distortion of anonymous or fictitious documents, translation into English of documents in the way Mr Haig's people wanted them to read, and farfetched conclusions based on the old slogan of the alleged threat of international communism have led the Washington POST and the WALL STREET JOURNAL to refute the Reagan-Haig offensive and to charge that the content of the White Paper is a gross manipulation.

To cite the POST, there is nothing in the White Paper that supports Haig's thesis that the war being waged by the Salvadoran patriots is a confrontation between the West and international communism, as the world was told in the White Paper.

The use of lies is not new. It is enough to remember that in the 1960's the Lyndon Johnson administration and the CIA fabricated an alleged attack on U.S. ships in the Tonkin Gulf by the North Vietnamese. This served as an excuse for dropping thousands of tons of bombs on the civilian population of the northern region of heroic Vietnam.

Now that the origin and objectives of the famous White Paper have been made clear, the United States has been unmasked before its own allies, whom it had urged to join its plan to block revolutionary Nicaragua. However, the appearance of those documents was not an isolated event. They are part of important strategic plans that include the international campaign that charges that the Sandinist people's revolution is a factor for destabilization in Central America. All of this falls within the framework of a military plan to increasingly arm the Somozist gangs in order to launch them against Nicaragua in the first phase of military attacks.

Just as the lies in the White Paper were unmasked, other lies are also evident. Robert White, former ambassador in El Salvador under Carter, recently said Reagan and Haig's biggest mistake was to tell the governments of the region that the enemy is Nicaragua and that everything possible must be done to isolate it.

We would add that it is a dangerous mistake because although our desire and need for peace so that we can reconstruct our country is well known, our history also shows how far we are willing to go to defend what is ours, of what we are capable of doing if the fatherland calls us to fight for its defense. For this reason, the Sandinist people's revolution not only has a right but an obligation to obtain the necessary means to guarantee the defense of the people and their achievements. In the same way that on more than one occasion requests for armaments were made to the United States, whose negative reply contrasts with its eager willingness to give them to the dictatorship for decades, our people have the right to seek those defensive weapons in the countries of the world that are willing to supply them.

## CTN LEADERS DENY BORGE STATEMENT ON CIA PAYMENTS

PA190206 Managua Radio Corporacion in Spanish 2300 GMT 16 Jun 81

[Text] Leaders of the Nicaraguan Workers Federation, CNT, are going to hold a news conference tomorrow, Wednesday, to refer to what Interior Minister Tomas Borge Martinez said against the CTN to a Venezuelan newspaper.

CTN leaders are referring to what Borge told newswoman Maria Eugenia Diaz, accusing the CTN of accepting money from the CIA. According to Borge, the CTN received $1.5 million from the CIA as payment for some activities in the country. This is absolutely false, CTN leaders asserted. We have no relations with that organization and we would like to see Commander Borge prove what he has said, CTN spokesman added.

## VENEZUELA ALLOTS $76 MILLION TO NICARAGUA

PA181816 Panama City ACAN in Spanish 0053 GMT 18 Jun 81

[Text] Managua, 17 Jun (ACAN-EFE)--The Venezuelan Investment Fund [FIV] has deposited $76 million on account for Nicaragua for the latter to use in development program.

Venezuelan Ambassador Guillermo Yepez made this announcement, adding that once the Nicaraguan Government has presented the reconstruction plans to his government, the fund of $76 million will be turned into loans.

Ambassador Yepez reported that the projects coordinator of the FIV, Oswaldo Garcia, has arrived in Nicaragua to provide advice to the International Reconstruction Fund (FIR) on the preparation of financing for projects the Nicaraguan Government could present.

So far the Nicaraguan Government has presented three projects. One of them is on hydroelectric energy and calls for $16 million. The overall agricultural project calls for $21 million in financing, while the fishery project requires up to $5.5 million.

## PRIESTS SEEN AS ASSET TO RECONSTRUCTION GOVERNMENT

### Workshop Expresses Solidarity

PA181610 Managua Radio Sandino in Spanish 0300 GMT 18 Jun 81

[Excerpts] An extraordinary document was issued by the ecumenical workshop [taller ecumenico] following its prayer sessions for peace and reconciliation.

The workshop took place at the Valdivieso Center in this capital and was held by the Nicaraguan Evangelical Ecumenical Alliance which for 3 days studied biblical and religious-political topics that are of such interest in our country at this time.

The document stresses that today the scriptures were studied as parameters of action and conduct and that the following was rediscovered:

In the life of the people of God, in other nations many servants and men of God filled positions as state officials in the economic, military, political and legal fields and so forth. It considers offensive the arrival of such evangelists as (Cerullo), who came here in his private plane in a flurry of technology, in (?contrast) with our poor and humble people. The document adds: We consider him arrogant when he announced he was coming here to take the devil out of our land and out of the new social, economic and political structures.

It added: Why did he not come here before to take the devil out of the murderous dictatorship that was so full of torture and cruelty? If he is so gifted, why does he not use his gift in his own country, the United States, where they kill children because they are black, where they engineer boycotts and wars and where, according to the book of the apocalypse, the names of the martyrs, saints and prophets, of those who have been murdered and of the men who struggle for justice are written in blood.

Concluding, the pronouncement of the Nicaraguan Evangelical Ecumenical Alliance expresses its solidarity with and prayers for the brother clergymen who serve as deacons, intercede as priests and struggle for the construction of the new justice and peace in the various ministries and who unforturnately suffer the misunderstanding of their brothers.

CELADEC Supports Priests

PA130121 Managua Radio Sandino in Spanish 1800 GMT 12 Jun 81

[Text] Leaders of the Latin American Evangelist Commission for Christian Education [CELADEC] expressed their full support and solidarity here today with the priests in the government whose resignation is being requested by the Episcopal Conference of Nicaragua. Father Luis Reynoso, CELADEC secretary general, said priests Fernando Cardenal, leader of the 19 July Sandinist Youth, Culture Minister Ernesto Cardenal, Foreign Minister Miguel d'Escoto and Social Welfare Minister Edgar Parrales, are complying with the Gospel from their posts and are contributing to helping the poor, forming a new man and a new society.

Father Reynoso added that Latin Americans are following the reconstruction process closely and this is one reason we are in favor of having those priests in government posts, and because of the way they acted prior to the people's victory and how they are acting now, and also because of their contribution to the literacy campaign, to the training of brigadists, to the formation of the people's educational workshops and for their participation in the first congress on adult education which ended here last Sunday.

Father Reynoso, who praised the Sandinist government for its efforts in the difficult task of national reconstruction, said the Nicaraguan revolution is seen by the people of Latin America and the rest of the world as an example of an unyielding struggle. He said that Christians cannot be considered Marxist-Leninists as they are being called by sectors opposed to the revolution. Instead, Reynoso pointed out, we should appreciate their contribution to the overthrow of the horrid dictatorship which had been in power for more than 45 years and the important job they are doing at this moment.

Father Reynoso said everyone should participate in the reconstruction of Nicaragua, and in this respect CELADEC is working in and outside the country to consolidate a new nation. He also expressed hope that a positive dialogue can be held between the priests and the Episcopal Conference to clear up the bothersome situation they are facing. Not everyone is willing to respond to the call of the poor for help, Father Reynoso indicated, but the Christians in Latin America are struggling for the poor and that is one of the reasons we are supporting the Nicaraguan revolution.

Finally, Father Reynoso added that the Christians in Latin America are willing to give their lives for the reconstruction of Nicaragua and if this is so, CELADEC will continue supporting the people of Sandino to the end.

Bishops' Decision Criticized

PA181259 Managua EL NUEVO DIARIO in Spanish 11 Jun 81 p 2

[Editorial: "The Church Continues to Speak"]

[Text] The bishops of the Nicaraguan church have spoken on the issue of priests in the government. Not all of the bishops, but almost all of them.

The bishops represent the church hierarchy, but they are not "the church." They have authority over the activities of the church and over the fulfillment of its mission. They also have the last word when it comes to making decisions. But when it comes to the "last word" in matters that affect the whole church, the government and all the people in a process like Nicaragua's, they can give that last word with moral authority and good judgment only after they have listened to the rest of the church, the government and the people.

We see that the church has continued to speak on the subject of priests in government through many of its members, communities, groups, ristians, and above all the laymen, who are the ones who have spoken the least in the church, the ones who are heard the least. We see that the Christians of the streets, the barrios, and the field, the teachers of the word and the peasants, young and old...are speaking of this.

They, too, are the church. They are saying that they are surprised by the bishops' ultimatum to the priests in the government, that they do not agree and have not been consulted, that the bishops have not asked them for their opinion on the subject and that they believe the priests should continue in their posts, serving the people in the revolution as long as there is an emergency situation, because what those priests are doing in their posts is serving the vast majority of the poor and looking out for their well-being, just as Christ looked after and served the poor.

The church continues to speak through these Christians. It says what the people of God think and desire. These are the poorest and humblest Christians, and they are thereby helping the church hierarchy and the bishops to really learn what is most advisable for the entire church and its mission in Nicaragua today. Many of these Christians say that a proper dialogue did not take place prior to the communique and that they were speaking as members of the church to help the bishops.

Therefore, one cannot say that "the church has spoken," as LA PRENSA said yesterday, pressuring the bishops into considering the case closed and predicting that the four priests will declare themselves in rebellion, which is what LA PRENSA wants. The church continues to speak. A large part of the church hierarchy spoke and the members of the church continue to speak. It can be heard by those who are not blind or deaf. The church itself, even in the highest expression of its authority, such as the entire Vatican Council II and the pope himself, have insisted that in order to best lead their faithful, the bishops should listen to their priests and the faithful as well as to all the people. They should listen, and discuss matters together in order to better arrive at "the last word."

During the "eight adveniens," Paul VI said it is up to the "Christian communities to determine, with the aid of the holy spirit, and in communion with responsible bishops, other Christian brothers, and all men of good will, the best decisions to implement the social, political and economic reforms which are considered urgent in each case. Can there be a clearer guideline for our case in Nicaragua? All our bishops accepted this guideline when they signed these words: "We want to maintain this attitude and commitment together with the entire Nicaraguan clerical community in which we want to find the spirit and concern together with the poor people whose gospelspreading potential we have discovered and which calls all the church to a conversion. (Puebla 1145)" (Pastoral letter of 17 November 1979.)

If we did not have sufficient dialogue before, as many Christians say, the church is still talking. We are confident that our bishops will not interpret this as disobedience because they are men of dialogue and when they invite the government and all the country to a broad, pluralist and sincere national dialogue, they will not refuse a broad, pluralist and sincere dialogue within the church in matters which affect it and the whole nation. We are sure that their authority will not be undermined because they listen and open a dialogue after their communique. They know that their authority for service will grow if they listen and hold a dialogue because Christ said: "Do not try to be like those who rule people as if they owned them, repressing them with their power; it should not be so among you." We are confident that, faithful to your support of the poor, our bishops will listen with special attention to the humblest and poorest Christians: those of whom the master, Jesus, said to the Pharisees: "If you make these be silent, even the rocks will shout."

The priests in government should also abstain from giving their "last word" without fully listening to all the church and the people. Their "first declaration" is already being interpreted as a declaration of rebellion by those who would like to see you punished and deprived of authority by the church, (those who act through vested political and religious fanatism). The four priests in question must listen and speak.

The church continues to speak, and it still has much to say and to listen to. It must engage in dialogue for its own good and for the good of the people.

DPRK OFFICIALS ASKED TO REVOLUTIONARY ANNIVERSARY

PA170248 Managua International Service in Spanish 0030 GMT 17 Jun 81

[Text] Officials of the Democratic People's Republic of Korea accredited in Nicaragua today received the invitation which the Sandinist National Liberation Front and the Nicaraguan Government is extending to all friendly nations to attend the celebrations of 19 July, commemorating the second anniversary of the victory of the revolution.

The charge d'affaires of the Korean Embassy in Nicaragua gave assurances that a high-level delegation will arrive in Nicaragua to participate in the activities which the Nicaraguan people are organizing to commemorate this significant date. The delegation will include Prime Minister Yi Chong-ok, the official noted.

SOVIET WORKERS DONATE THREE VEHICLES TO CST

PA122305 Managua Radio Sandino in Spanish 1800 GMT 12 Jun 81

[Excerpt] The working class of the USSR has donated several vehicles to workers of the Sandinist Workers Federation [CST], confirming again the solidarity that exists between the two peoples.

In the name of the All-Union Central Council of Trade Unions, the Soviet ambassador to Nicaragua presented two (?new) vehicles and a bus to the CST.

This modest donation is one more testimonial of the solidarity that Soviet workers extend to the heroic people of Nicaragua, who are committed to their struggle for national reconstruction and economic independence, the Soviet ambassador said during a simple ceremony attended by Lucio Jimenez and Denis Menendez, secretaries general of the CST and of the CST Managua chapter, respectively.

The Soviet ambassador said the overthrow of the bloody Somoza regime and the triumph of the Sandinist people's revolution opened the doors for broad cooperation between the workers of the USSR and Nicaragua.

In the face of the aggressive attitude of the imperialists, the working class of the USSR reiterates once again its solidarity with the workers and people of Nicaragua.

CST Secretary General Lucio Jimenez said vehicles donated by the working class of the USSR are the product of the workers' sweat and daily effort. The experiences of the victorious Soviet people are the guiding light and the path taken by all the oppressed and exploited peoples of the world to achieve their liberation. Only revolutions can lead the people, and the Soviet revolution of 1917 and the Nicaraguan revolution of 1979 have confirmed this path, he said.

Lucio Jimenez said that in 1981 Nicaraguan workers plan to strengthen the relations of friendship and solidarity between the working classes of the USSR and Nicaragua.

## FARMOWNERS CHARGED WITH DRAINING CAPITAL

PA182202 Managua Radio Sandino in Spanish 1800 GMT 18 Jun 81

[Statement by Francisco Lopez, secretary of organization of the Farmworkers Association, ATC; date and place not given--recorded]

[Text] We are currently facing a big problem in the rural areas due to the draining away of capital from a large number of private estates. Specific examples of this can be found in the Departments of Boaco, Matagalpa, Jinotega, Nueva Segovia, Madriz and in Managua, in the El Crucero area. The most serious cases are located there.

We currently have a problem with a man named Alfonso Ramos in the Jalapa area of Nueva Segovia Department. It is evident that this man is depleting the capital. The workers have decided to take over the enterprise since this man has not fulfilled the collective contract and has been draining capital away from the enterprise.

We have the most serious problems in the coffee sector. This is where we find the largest number of private farms where capital is being depleted. A large number of the estates in El Crucero, Managua Department, in Boaco, Matagalpa, Jinotega, Nueva Segovia and Madriz are coffee plantations where capital is being drained away. The machinery has been sold, the coffee crop has not been picked, the trees have not been trimmed, the land has not been fertilized, many workers have been dismissed and so forth. For example, farms that in the past had 200 permanent workers, now only have 15 permanent workers. This shows that they are trying to destroy the unions that we promote. This further contributes to the unemployment and discontent in the rural areas.

Our position is to lead all the struggles to increase production, particularly coffee in this case, because if this is not achieved, this country will be left practically in ruins. If there is not a strong and firm law against draining away capital which establishes that the property of individuals who are guilty of this will become property of the state, then this country will end up bankrupt.

## BIG BUSINESSMEN FINANCE COUNTERREVOLUTIONARY GANGS

PA170252 Havana International Service in Spanish 0000 GMT 17 Jun 81

[Text] Commander Alonso Porras, coordinator of the Sandinist National Liberation Front in Jinotega Department, has charged that big businessmen of this northern area of Nicaragua are financing the counterrevolutionary gangs that have committed many murders.

In the ceremony to mourn six persons who were killed by counterrevolutionary groups, Porras stressed that these gangs operate in areas where there are cooperatives financed by the Higher Council of Private Enterprise and the so-called Nicaraguan Democratic Movement. He warned that those who cooperate with these gangs and all those who are indirectly linked with these counterrevolutionary actions will be unmasked soon. He announced that the peasants will ask the State Council to issue a law to confiscate the property of big landowners involved in terrorist actions.

Shortly beforehand, Sandinist Commander Bayardo Arce revealed in Managua that entrepreneurs and other private owners are secretly receiving money from the imperialists as part of a foreign plan to destabilize the Nicaraguan revolutionary process.

## LA PRENSA JOURNALIST SENTENCED TO 3 YEARS

PA172005 Managua Radio Sandino in Spanish 1800 GMT 17 Jun 81

[Text] The first district criminal judge of Managua today sentenced Abelardo Sanchez, correspondent of LA PRENSA in Ocotal, to 3 years in prison. Judge Trejos Trejos found Sanchez guilty of crimes against the security of the revolutionary state and conspiracy.

In his testimony Sanchez confessed his collaboration with gangs of former Somozist guardsmen to whom he supplied financial aid, ammunition, printed bonds and even a camera.

STATE COUNCIL OFFICIAL ON FOOD PRODUCTION PROBE

PA181350 Managua LA PRENSA in Spanish 12 Jun 81 p 7

[Excerpts] Luis Sanchez Sancho, vice chairman of the State Council, has commented on the report by Dionisio Marenco, minister of domestic trade, made during his appearance before the State Council.

Sanchez, who in addition to being an officer of the State Council is also chairman of the Nicaraguan Socialist Party, believes the report that will be presented to the government junta should analyze various aspects of domestic trade because trade is an integral problem. Through clear and analytical answers, the vice chairman of the State Council explained that pragmatic criteria should be applied to resolve this problem, putting aside demagogic positions:

[Question] What will result from the State Council's questioning of Domestic Trade Minister Dionisio Marenco?

[Answer] In its session of 27 May the State Council board proposed to the plenum that the domestic trade minister be called in to answer questions regarding a number of concerns about the shortages of certain products. These concerns have been voiced by the State Council itself, by the media and by the mass organizations. Thus, the State Council, as provided for in regulations, summoned Minister Dionisio Marenco to appear on 10 Jun to deliver a written report, on the one hand, and also to answer whatever questions the members of the council might ask.

Minister Marenco indeed appeared and presented a statistical report on the causes of the shortage of products. He then proceeded to give a number of clarifications and explanations, indicating that the problem is basically in the area of production.

The first main point in Minister Marenco's report is that there has been a pronounced decline in rice production. For example, the production of milled rice declined from 30 quintals per manzana in the 1979-80 harvest to 23 quintals in 1980-81. This partly explains the status of that vital product on the market. On the other hand, the figures indicate that there has been an increase in consumption of rice.

Moreover, he explained that on the open market, which is governed primarily by supply and demand, there has been great demand and the state has been obliged to import rice to meet our people's basic needs.

We, the board of the State Council, are going to study the Trade Ministry report as well as the explanations which the minister gave to the plenum. This information will be considered by the board of directors and by the people's consumer committee, after which we will present our comments and the conclusions to the government junta.

Why?

One of these conclusions--in my opinion, and I will personally voice it to the board of directors--is that a clearer explanation is needed regarding the causes of the previously mentioned decline in rice production. It is really notable and there must be some other factor at work there that was not clearly identified because of course this is not within the purview of the Domestic Trade Ministry, but of another ministry.

In my opinion the issue here is not to seek ways to improve distribution of the small amount that we have, but rather to seek more effective means of augmenting production and productivity, particularly in the area of basic grains.

[Question] Nicaragua has always produced enough basic grains and in fact has always exported rice and corn, despite the existence of a free market. It seems to me that this contradicts Minister Marenco's argument that supply and demand is one of the causes of the problem.

[Answer] In my opinion the problem is that Nicaragua is going through a special phase, historically speaking: a phase of revolutionary transformation, of the readjustment of institutions and standards of living and of production, to which the people are not adapting as rapidly as could be expected. On one hand, expectations have been raised regarding the satisfaction of the most urgent needs, while on the other hand the dynamics of the productive process are not functioning with the speed and efficiency needed to meet those expectations.

Thus, in important sectors of small and medium producers, for example, which have been the pillars of food supply, there has been a reduction of productive capacity, while the producers hope that the state will satisfy their most important demands.

[Question] Returning to the point of the mistakes committed by small and medium producers (which are of the private sector), you were saying that the cause is the expectations generated by the revolution. But there are objective factors, for example, the selective financing of producers. If they are affiliated with organizations that support the government they receive lower interest rates and a number of other partisan benefits.

Moreover, at the time of purchase, the Nicaraguan Basic Foods Enterprise (ENABAS) sets the price. There have been cases in which the farmers have been forced to sell to ENABAS, with the result that small producers have said they will not plant any more than they need to consume because when the time comes to sell they do not have the incentive of a good price. What is the State Council's feeling on this?

[Answer] Regarding the second part of your question, on the basis of the information that is providing us with an overall view of the real problem of internal consumption, we will now have the opportunity to reach more objective conclusions and proposals that will allow the State Council to make a more effective contribution.

As far as I am concerned, if there are indeed discriminatory policies regarding financing and the purchasing policies of ENABAS, which is an agency of the Domestic Trade Ministry, I believe the appropriate thing would be to make proposals to stop this kind of "scissors" being applied to the producers of basic foods and channel the administrative efforts of the Domestic Trade Ministry and ENABAS toward making them respond not to a particular political or ideological interest, but rather to the interest of solving the real problems that affect the people and of meeting our people's most urgent needs, the foremost of which is food.

## 18 JUNE MEETING TO REVIEW FORUM SUSPENDED

PA190458 Managua Radio Corporacion in Spanish 2300 GMT 18 Jun 81

[Text] The 14 delegates to the forum for the discussion of national problems arrived at the Planning Ministry auditorium at 1400 as had been planned by the National Center of Higher Studies. However, the meeting was suspended a few minutes later when it was realized that the seven delegates of the frontist [Sandinist National Liberation Front] sector were not prepared to discuss several political topics.

The seven frontist delegates at no time presented their list of points of minimal agreement to the delegates of the private sector. For this reason, the meeting of review that had been scheduled to be held at the National Center of Higher Studies was suspended.

Finally, it was decided that the two sides would meet again on Saturday at the Planning Ministry auditorium for a third round of talks as part of the national dialogue.

OPPOSITION CONCEPT OF DEMOCRACY REJECTED

PA170315 Managua Radio Sandino in Spanish 0300 GMT 16 Jun 81

[Station commentary: "What the Concept of Democracy Encouraged by the Bourgeois Group Disguises"]

[Text] We have been saying that the forum to debate national problems necessarily was going to be where definitions were clearly established. Our statement was neither whimsical nor capricious, but was in line with the very essence of the problems being discussed. All human attitudes are really a response to the place of a man in the scheme of society within a determined point of history and reflect the ideological thoughts of his class. Consequently, these attitudes to the material interests of his social group.

The series of discussions that opened this weekend in the national forum have been enough to clearly establish the truth of our statement. From the first moment, the sociopolitical group opposed to the process removed the mask with which it had tried to deceive the parties of the revolution headed by our vanguard and was forced to present itself as the political expression of the ideolog' and private interests of the bourgeois minorities displaced from political power by the direct revolutionary action of our popular majorities, led by the Sandinist National Liberation Front [FSLN].

Trying to hide the classist nature of the policy of their group, and of politics itself, as a form of social conscience, the organizations that represent the interests of the exploiting classes, whose report was outlined by Alfonso Robelo, persisted yesterday in their efforts to identify the Sandinist people's revolution with the bourgeois dictatorial regime of the Somozas.

They had to resort to this underhanded trick because they lacked the necessary objectivity on which to base their formal concept of democracy. To that sector which opposes our process, the bourgeois Somozist state was equal in nature to the revolutionary state and as a logical consequence, democracy as a form of government should have the same content. That, in essence, is where those gentlemen are headed with their formal concept of abstract democracy, a concept that is fossilized, historically obsolete and dead.

In our environment and under our conditions, democracy--which is committed to the activities designed to achieve the historic objectives and carry out the tasks emanating from the defense of the interests of our masses and to the methods and resources that are needed to achieve those objectives and to carry out those tasks--must exercise its power against the sectors or groups that act, in one way or another, against those interests.

For this reason, democracy of the people's power rejects that old ingredient disguised as participation of the people with which the dissident group seeks to update their definition of democracy. We are certain that things would have been very different if it had not been our people, wisely led by their vanguard, who overthrew the dictatorship that was the embodiment of bourgeois democracy, the dictatorship in which the minority exploited the majority.

The democracy of the people's power does not respond to the desire to share power which is felt by the displaced socioeconomic sectors and their present political representatives. Instead, it is formed progressively through the direct action of the masses, designed to achieve the objectives and carry out the tasks that respond to their interests and to the defense of those interests. Only those who are prepared to work toward those objectives, to place those interests above their personal interests and to defend those interests that are identified as the interests of the fatherland and of the revolution at any time and against any enemy will be able to comprehend the true nature of democracy, in the context of the historic moment that we Nicaraguans are experiencing, instead of in the pedantic minds of those who have not given up their dreams of returning to a past that our people have buried forever.

FAR-MININT COMMENTARY ON HAIG'S VISIT TO PRC

FL181930 Havana Domestic Service in Spanish 1700 GMT 18 Jun 81

[Revolutionary Armed Forces [FAR] and Interior Ministry [MININT] Combatants Political Information Program commentary]

[Text] Although no official document has been published regarding the results of the talks held by Yankee Secretary of State Alexander Haig with the Beijing leaders, there is sufficient material available to international public opinion to comprehend the nature of those contacts.

Haig has met PRC Foreign Minister Huang Hua, Vice Chairman Deng Xiaoping, Defense Minister Geng Biao and other representatives of yellow hegemonism and after the talks he stressed that the criteria of the two nations have never before been so close as now. Washington's threats against the nations of Southeast Asia, above all against Vietnam, complement Beijing's military operations at the Vietnamese border and its actions against Laos and Kampuchea. Haig therefore said that the Chinese and American political guidelines mutually complement each other. Huang Hua contributed a substantial agreement with Haig's opinions by stressing that both parties have many common and analogous criteria which is tantamount to saying that the Chinese regime supports all the actions of U.S. imperialism aimed at making international tensions more acute and at escalating the arms race.

The Chinese side strongly stressed that it highly values the measures of the U.S. administration to strengthen Yankee military potential and the military blocs, at the same time as it encourages Beijing's hegemonic hysteria in South and Southeast Asia.

The total agreement of the Washington and Beijing officials regarding Afghanistan and Kampuchea was clearly stated by both parties. Haig, much moved by so much coincidence of criteria, said during a reception: Our friendship has blossomed like a garden of roses. The Yankee secretary of state, moved by so much understanding, asserted that President Reagan looks upon China as a close and appreciated friend. Translated from the rich protocolar verbiage to the plain language of dirty imperialist policy, this means that Washington has found a worthy partner to implement its strategic-military plans.

The only thing that remains to be seen is the result of Haig's visit to China. Behind a screen of smiles, traditional greetings and well-chosen phrases in Beijing, the dragon and the hawk have reached an agreement to again attack the national liberation movements and socialism. World opinion knows very well where this new hegemonic-imperialist embrace can lead. The North Vietnamese provinces are daily attacked by the Chinese Army, equipped with U.S.-made arms.

CUBA, MOZAMBIQUE TO COOPERATE IN SALT WORKS

FL190100 Havana Domestic Service in Spanish 2338 GMT 18 Jun 81

[Text] A protocol of cooperation in the area of the salt industry was signed this aftrernoon by the People's Republic of Mozambique and Cuba as the result of talks held on the subject. Signing for Mozambique was (Tome Dos Santos), director of the salt industry's administration unit in the brother African country, and for Cuba, Dr Braudilio Castellanos, director for exports in the Ministry of Basic Industry.

Eng Osvaldo Rojas, deputy director of Cuba's steelworking industry's marketing enterprise, told reporters about the bases for the agreement signed, Cuba will supply Mozambique with projects and technical assistance for the construction, installation and exploitation of salt works, as well as studies of potential for the development of the industry.

## BARBADOS

### HIGH TURNOUT PREDICTED FOR GENERAL ELECTIONS

FL181149 Bridgetown CANA in English 1119 GMT 18 Jun 81

[Text] Bridgetown, Barbados, 18 Jun (CANA)--There was a steady stream of early morning voters as polling began today in the Barbados general elections. The weather is fair in this holiday island and a high turnout has been predicted.

The election is a straight fight between the ruling Barbados Labor Party of Prime Minister Tom Adams and the opposition Democratic Labor Party led by Errol Barrow, who was prime minister from 1961 to 1976.

Eighteen-year-olds have the franchise and there are 167,000 electors on the list, including commonwealth citizens continuously residenting the country at least 3 years.

Both parties have fielded full lists of 27 candidates and there are six independents, a total of 60 for the 27 seats in Parliament, being extended by three seats in the first increase since 1843. Campaigning stopped just before midnight last night, with the two parties drawing massive crowds to city meetings half mile apart.

The 12-hour period of voting ends at 1800 hours (2200 hours GMT). Counting begins at 27 centers shortly afterwards, and the result of the election is likely to be known by 2300 hours (0300 hours GMT).

### Government Candidates Leading

FL190139 Bridgetown CANA in English 0135 GMT 19 Jun 81

[Text] Bridgetown, Barbados, 18 Jun (CANA)--Prime Minister Tom Adams and several candidates of the ruling Barbados Labor Party moved into an early lead as counting began here tonight in the country's general election.

With three of 18 boxes counted in the St Thomas Constituency, Mr Adams was leading Neville Boxhill of the Democratic Labor Party by 444 to 243 votes. In the St George South Constituency, Education Minister Louis Tull had 514 votes to 236 for Horace Holder of the opposition party.

As results continued to reach the capital from counting centers around the country, several other government candidates were into an early lead.

## JAMAICA

### SEAGA TO DELIVER TWO MAJOR ADDRESSES IN WASHINGTON

FL181825 Bridgetown CANA in English 1718 GMT 18 Jun 81

[Text] Kingston, Jamaica, 18 Jun (CANA)--Jamaican Prime Minister Edward Seaga was leaving here today for Washington, where he will deliver two major speeches tomorrow. Mr Seaga is to address the 20th anniversary conference of the U.S. Peace Corps at Howard University and later speak to the Council of Ministers of the Organization of American States (OAS).

Government sources said that Mr Seaga's speech to the OAS will deal with his proposal for a Marshall-Plan-type aid package for the Caribbean and Central America, which is now getting active consideration from the Reagan administration and a number of other Western countries.

It is expected that Mr Seaga will have a similar theme for his talk to the Peace Corps as well as stress the growing friendship between Kingston and Washington. The Jamaican leader is expected to take the opportunity for talks with Reagan administration officials.

Last December Prime Minister Seaga proposed that aid inflows to the region be almost doubled to 3 billion dollars (US) annually and suggested that this be bankrolled by the United States, Canada, Japan, Western Europe, as well as Mexico and Venezuela. He also called for increased trade concessions for the region.

PRIME MINISTER ON BAD ALUMINA DEAL WITH USSR

FL122143 Bridgetown CANA in English 2122 GMT 12 Jun 81

[Text] Kingston, Jamaica, 12 Jun (CANA)--Jamaica Prime Minister Edward Seaga today said Jamaica was losing on a 1979 agreement to supply alumina to the Soviet Union and appeared to question Soviet integrity in concluding the deal. Mr Seaga said that the island will lose 18.25 million dollars of U.S. on the 250,000 tons of alumina it agreed to supply up to 1983. The prime minister said his government intended to honor the deal made by the former Michael Manley administration but the matter could not be good for Soviet-Jamaica relations.

Mr Seaga declared: "The contract between the Government of Jamaica and the Government of the Soviet Union is a valid contract...(and) although we are faced with a loss situation we will not abrogate the agreement.

"But I will say that it cannot be good for the image of Soviet-Jamaica relations that a small, poor Third World country like Jamaica is subsidizing the Soviet Union and will continue to do so for the next 3 years to the extent of 5.75 million dollars. That cannot be good for the image for all those persons who have a high regard for relations between the Soviet Union and Jamaica as far as the whole question of the integrity of dealings between Third World countries and their natural ally," Mr Seaga said.

The alumina deal was to have been a short-term one to be followed by an agreement for the sale of 250,000 tons of alumina annually to the Soviet Union. Mr Seaga, giving background on the deal, said that when it was signed in July 1979 the island agreed to sell 200,000 tons to the Soviet Union, with an annual delivery of 50,000 tons. The sales price was originally set at 180 dollars (US) a ton, CIF (cost, freight and insurance) to be paid by Jamaica. He said that in October of that year the contract was varied for the sale of an additional 50,000 tons during 1980, at a cost of 200 dollars a ton. This meant, he said, that the Soviet Union would pay 190 dollars (US) a ton for the whole shipment of 100,000 in 1980. However, in January last year, the agreement was again modified for the whole 1980 shipment to be sold at 205 dollars (US) a ton. "...In all these instances, the cost contracts were CIF that means we pay the cost of freight right up to 1983," Mr Seaga said.

He disclosed that in order to fulfill the contracts Jamaica purchased the alumina for the local firms Jamalco and Jamalcan at 218.01 dollars a ton F.O.B., meaning that delivery was in Jamaica. Added Mr Seaga: "We now have to deliver it to the Soviet Union which is not next door.... The cost of shipping is 49.99 dollars a ton. So the cost is 162 [as received] dollars to us and we are selling at 205 dollars, which means that there is a shortfall on every ton sold of 57 dollars. Jamaica had lost just under 5.6 million dollars (US) on just under 10 million dollars (one J dollar is 56 U.S. cents) in 1980 on shipments of 98,147 tons.

Mr Seaga said that since his 7-month old government came to power it had been able to get an amendment to the contract to allow for a new price of 245 dollars (US), which still left the country with a loss of 30 dollars on every ton shipped. The total loss of 1980-81, he said, was 12.75 million dollars, with a further loss of 5.5 million dollars during the remainder of the contract, and this was low because of the revision achieved by the new government.

## PERU

### ARMY COMMANDER'S HELICOPTER MISSING IN NORTH

PY190023 Buenos Aires LATIN in Spanish 0000 GMT 19 Jun 81

[Excerpt] Lima, 18 Jun (LATIN-REUTER)--The Peruvian Government tonight confirmed that the helicopter which was carrying Gen Rafael Hoyos Rubio, commander in chief of the army, is missing somewhere in northern Peru on the border with Ecuador.

Prime Minister Manuel Ulloa told the journalists that President Fernando Belaunde Terry has ordered the implementation of the appropriate measures and is keeping in constant contact with the air force and the army.

He added that along with Hoyos Rubio, the helicopter was carrying Gen Luis Montoya, national comptroller general, and the crew.

### FOREIGN MINISTER PRAISES RELATIONS WITH CHILE

PY181221 Santiago Chile Domestic Service in Spanish 1100 GMT 18 Jun 81

[Excerpt] Peruvian Foreign Minister Javier Arias Stella has said that a new stage is being implemented in our relations with Chile, which is a very positive.

Arias made this remark when he reported that the new Peruvian ambassador to Santiago, Luis Bustamante y de Rivero, will soon take up his post.

He also stated that in this positive stage of Peruvian-Chilean relations, the role of his good relations with Foreign Minister Rojas Galdames is very important.

Arias also recalled the full support of the Chilean minister during the recent Peruvian-Ecuadorean conflict.

## VENEZUELA

### COSTA RICA'S CARAZO TO ADDRESS 'CLUB OF ROME'

PA180429 Madrid EFE in Spanish 0330 GMT 18 Jun 81

[Text] Caracas, 18 Jun (EFE)--Costa Rican President Rodrigo Carazo arrived tonight in Venezuela with his wife, Estrella Zeledon, to attend the meeting of the Club of Rome which opened here today.

President Carazo was welcomed at the Maiquetia Airport by Venezuelan President, Luis Herrera Campins, and his wife Betty Urdaneta.

The visitors were taken to La Guzmania guesthouse. Later President Herrera hosted a dinner in their honor, which was attended by members of the Costa Rican diplomatic mission.

The Costa Rican president will speak tomorrow at the Club of Rome meeting on "The University of Peace and Latin America's Future."

Carazo will also attend a debate together with former Presidents Luis Echeverria of Mexico, Eduardo Frei of Chile, Leopold Sedar Senghor of Senegal, and Rafael Caldera of Venezuela, on "The New International Order as a Challenge to the Ability to Rule."